



**Director of
Central
Intelligence**

Top Secret

25X1

25X1

National Intelligence Daily

***Thursday
3 January 1980***

Top Secret

CO NID 80-002JX

3 January 1980

Copy 421

25X1

Page Denied

Top Secret

25X1

Contents

Situation Reports

Afghanistan	1
Iran.	4

Briefs and Comments

Yugoslavia-Romania: <i>Reactions to Afghanistan</i>	7
Turkey: <i>A Military Warning to Politicians.</i>	8
Rhodesia: <i>Cease-fire Problems.</i>	9
El Salvador: <i>Resignation Crisis.</i>	10
Japan: <i>Defense Spending Issue.</i>	10

Special Analysis

India: <i>A Resurgent Gandhi.</i>	11
---	----

Overnight Reports.	16
----------------------------	----

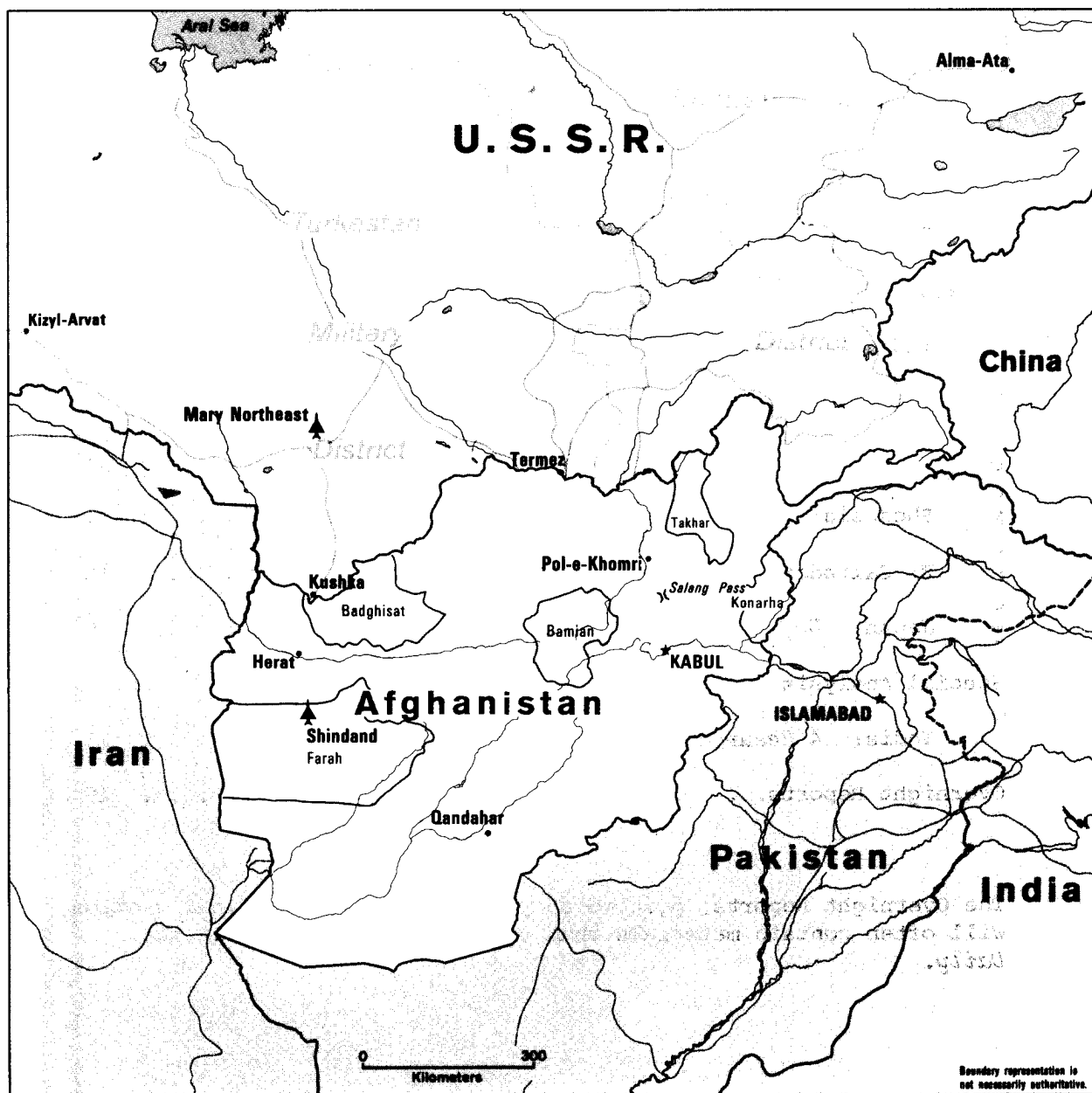
The Overnight Reports, printed on yellow paper as the final section, will often contain materials that update other articles in the *Daily*.

Top Secret

25X1

25X1

3 January 1980



Top Secret

25X1

SITUATION REPORTS

AFGHANISTAN

25X1

Unconfirmed press reports from diplomatic sources indicate that the Soviets have been engaged in counter-insurgency operations in Bamian Province.

25X1
25X1

--continued

25X1

Top Secret

25X1

3 January 1980

Top Secret

25X1

25X1

Babrak's Policies

Prime Minister Babrak continues to try to justify Soviet intervention on the basis of US interference in Afghanistan. According to Babrak, the US tried to destroy the Afghan revolution through its spy, former President Amin. The US also encouraged Pakistan, China, and several Muslim nations to interfere in Afghanistan. Babrak said that the limited number of Soviet troops in the country would return home as soon as the foreign threat ended but warned that if it continues, he would call for further Soviet assistance and for help from Cuba, Ethiopia, Angola, and the Palestinians. [REDACTED]

25X1

[REDACTED] deep animosities among the present leaders will result in early changes in the government. In July 1978, Revolutionary Council members Watanjar and Abdul Qader helped exile Prime Minister Babrak and his close associates. A month later, Watanjar played a major role in the jailing of Abdul Qader and several members of the current cabinet. While in prison, they were subjected to harsh treatment by the Intelligence and Security Command, which was then headed by Deputy Prime Minister Assadullah. [REDACTED]

25X1

25X1

--continued

Top Secret

3 January 1980

25X1

Top Secret

25X1

Soviet Moves

The USSR has responded to China's condemnation of the move into Afghanistan. The Soviet news agency TASS yesterday blasted Beijing's official statement of 30 December as evidence that China "has fully teamed up with the NATO countries" over the issue, with the specific aim of diverting world attention from China's expansionist policies toward Indochina. The Chinese meanwhile issued a fresh attack on Moscow's actions. [REDACTED]

25X1

The Soviet Ambassador in Iran yesterday had his second meeting with Ayatollah Khomeini in less than a week. There is no information on what was discussed, but Ambassador Vinogradov presumably attempted to mute Iran's opposition to Soviet military intervention in Afghanistan. TASS yesterday praised Iranian authorities for their alacrity in cutting short a protest demonstration Tuesday by Afghan students at the Soviet Embassy in Tehran. TASS, however, complained about the "clearly insufficient" measures taken by local Indian authorities to defend the Afghan Embassy in New Delhi. [REDACTED]

25X1

Top Secret

25X1

3 January 1980



Top Secret

25X1

IRAN

Fighting between Revolutionary Guards and Kurdish guerrillas has apparently widened. [redacted]

25X1

The governor of Kordestan Province announced yesterday that some 20,000 unarmed Kurdish demonstrators had protested outside his office in Sanandaj demanding the complete withdrawal of Revolutionary Guards from the city. According to press reports, earlier clashes there and in other Kurdish-populated areas resulted in several casualties. [redacted]

25X1

The governor met with leaders of the Kurdish Democratic Party and government-appointed peace negotiators yesterday to discuss the withdrawal of the Guards, but we do not know the outcome of the talks. The party has published a 26-point autonomy plan that emphasizes the Kurds' desire to remain a part of Iran but includes many demands the government will have difficulty accepting. [redacted]

25X1

25X1

[redacted] the ability and willingness of the Army to respond to renewed fighting is hampered by low morale, equipment and personnel shortages, and winter weather. A winter campaign would favor the Kurds, who know the terrain, are used to the climate, and have the support of much of the local population. [redacted]

25X1

25X1

--continued

Top Secret

3 January 1980

25X1

Page Denied

Next 1 Page(s) In Document Denied

Top Secret

25X1

YUGOSLAVIA-ROMANIA: Reactions to Afghanistan

Yugoslav anxiety about Soviet intentions in the post-Tito period has heightened as a result of the Soviet intervention in Afghanistan; the Romanians are also concerned.

25X1

25X1

Yugoslav officials, including Tito, have long expressed concern that the influence of the Soviet military and political hardliners will increase after Soviet President Brezhnev dies or steps down, and they may now believe that the hardliners are able to dominate in Moscow.

25X1

25X1

The Yugoslav Government has officially condemned the Soviet intervention and expressed "astonishment" and "deep concern" about developments in Afghanistan. Yugoslav media have challenged the Soviet assertion that the USSR moved at the invitation of authorities in Kabul, and the press reported with unprecedented speed the fact that President Carter sent a letter to Tito.

25X1

Romanian President Ceausescu apparently is also concerned about the implications of Moscow's intervention. Ceausescu pointedly criticized the Soviet action--though not by name--in his annual New Year's message to the diplomatic corps in Bucharest.

25X1

25X1

Top Secret

25X1

3 January 1980

Top Secret

25X1

TURKEY: A Military Warning to Politicians

Turkish military leaders have issued a memorandum calling on feuding politicians to work together toward solving the country's rapidly worsening security and economic problems; implicit is a warning that the military will intervene more forcefully if the politicians do not comply. [redacted]

25X1

General Staff Chief Evren submitted the document, which was endorsed by top military commanders, to President Koruturk. The President, who may have instigated the memorandum to use as leverage on parliament, yesterday relayed this message to Prime Minister Demirel and opposition leader Ecevit. Both political leaders seemed shaken when they emerged from the session. [redacted]

25X1

The memorandum says Turkish military leaders believe growing polarization among the political parties has rendered civilian government and institutions incapable of coping with the country's domestic violence and its economic problems. They are also concerned that current problems in Iran or Afghanistan could have adverse repercussions in a politically unstable Turkey. [redacted]

25X1

The military in effect is demanding that Demirel and Ecevit make common cause in restoring political and economic stability. Such cooperation, however, may not be feasible given their mutual animosity and their likely unwillingness to subordinate themselves to the military's will. Ecevit could in fact risk losing control of his party if he participated in any military-imposed formula. The likelihood has increased that Prime Minister Demirel will resign to save his political reputation and that he will be replaced by an "above parties" government acceptable to the military. [redacted]

25X1

The memorandum is not as threatening as the military's note in 1971 that compelled an earlier Demirel government to resign. Nevertheless, the implicit warning is clear-- if the politicians fail to heed it, the military will be left with little choice but to intervene. Military options include further pressure on Koruturk and parliament to impose an above parties government or, failing that, a direct intervention. [redacted]

25X1

Top Secret

25X1

3 January 1980

Top Secret

RHODESIA: Cease-Fire Problems

There are mixed reports on the status of the cease-fire in Rhodesia but our general impression is that things are not going well.

On Monday, Lord Soames, the British Governor, gave a very gloomy assessment of the cease-fire. Soames said the British are "living on the edge of a volcano" that could erupt at any moment.

Soames' principal military adviser, British General Acland, gave a more positive assessment the same day. Acland said he was pleased by the number of guerrillas who had come into the rendezvous points. He also lauded the Rhodesian security forces for fully obeying the cease-fire. Acland said that, contrary to public British statements, armed guerrillas would be allowed to enter assembly points after the 4 January deadline.

Rhodesian security force commander General Walls criticized the British for allowing guerrillas to continue operating in the countryside. Walls persuaded Soames to issue a statement warning that any guerrillas not in assembly points by 4 January would be considered illegal.

Walls is clearly chafing at the bit and that it is doubtful that most guerrillas in the country--between 17,000 and 23,000--will make it to the assembly points by 4 January. After that, Walls will claim that the "illegal" remainder will be "fair game."

A UK official in London said yesterday that only a few thousand guerrillas had entered rendezvous or assembly points thus far and that the general level of violence is still high. He said the British would have to get "extremely nasty" if the guerrillas had not assembled in realistic numbers by 4 January.

Top Secret

3 January 1980

Top Secret

25X1

EL SALVADOR: Resignation Crisis

Two moderate leftists on the five-man governing junta and most members of the cabinet are threatening to resign in an attempt to speed the pace of reform and restrict the use of military force against leftists. The two military members of the junta are seeking a compromise that would avoid wholesale cabinet departures and government paralysis; however, press reports last night indicated that three ministers had submitted their resignations. The discussions focus on the possible addition of two members of the Christian Democratic Party to the junta to replace one or more of the three civilian members. [REDACTED]

25X1

JAPAN: Defense Spending Issue

The Japanese cabinet decided Saturday to maintain defense spending at the level of 0.9 percent of GNP--as urged by the US--by approving a defense budget of about \$9 billion. This is a nominal increase of 6.5 percent over the defense budget of the fiscal year ending 31 March 1980. The decision was an unexpected victory for the Defense Agency and the Foreign Ministry, which had faced strong opposition from the Finance Ministry to expanding defense spending at a time of overall budgetary stringency. Tokyo was apparently reluctant to open itself to more US criticism so soon after the controversy over Japan's policy toward Iran. Tokyo was also concerned that bilateral trade problems with the US might intensify later this year. Although the defense budget must still clear the Diet, we do not expect the 0.9 percent ratio to be affected. [REDACTED]

25X1

Top Secret

3 January 1980

25X1

Top Secret

25X1

SPECIAL ANALYSIS

INDIA: A Resurgent Gandhi

25X1

The front runner in India's seventh national election--a special midterm poll to be held today and Sunday--is Indira Gandhi's Congress Party. Although less than half the electorate of some 360 million may actually go to the polls, the election will nonetheless be accepted as a fair test of the public will and a reaffirmation of India's commitment to the democratic process. Any new regime will lean toward India's traditional nonalignment in foreign affairs and middle-of-the-road approach in domestic policy. A Gandhi government would continue the Soviet-Indian relationship based on long-standing Soviet economic and military aid programs.

25X1

If former Prime Minister Gandhi wins a parliamentary majority or even a large plurality--at least 220 of the 542 seats in the important lower house--many Indians will feel a sense of relief. After two and a half years of ineffective rule by the factionalized Janata Party, which fell last summer, there is a widespread desire to see stability, direction, and competence restored in the national government.

25X1

Should Gandhi's party fall far short of a majority, she could face a tough and even unsuccessful fight for the prime ministry with the other key contenders--Janata Party leader Jagjivan Ram and the caretaker Prime Minister Charan Singh of the Lok Dal Party. The result, after hard bargaining to assemble a majority and assign cabinet posts, could be an unstable coalition of limited durability.

25X1

In this event India would face an uncertain future. Another midterm poll and eventually more radical steps, such as amending the constitution and possibly switching from a parliamentary to a presidential system, would be considered. In the interim, India would have difficulty dealing with growing social and economic problems. Increased ethnic and caste conflict is threatening the

--continued

Top Secret

3 January 1980

25X1

Top Secret

25X1

cohesiveness of Indian society, and the economy is burdened by high inflation, labor unrest, energy shortages, and one of the worst droughts of the century. [REDACTED]

25X1

Gandhi's Resurgence

Even if Gandhi does not win a majority, her Congress Party is likely to have a dominant voice in the next government. Gandhi has staged a remarkable comeback since her election defeat in 1977. She remains India's most skillful and popular national leader and appears to have grass-roots support for a return to power. Public opinion has swung dramatically from repudiation of her oppressive emergency rule (1975 to 1977) to an appreciation of the orderliness and calm it provided. Nonetheless, her tendency toward authoritarianism and the political reemergence of her widely disliked son Sanjay, who strongly supported the emergency, are major issues in the campaign. [REDACTED]

25X1

Foreign Policy

Although the goal of Indian leaders is "genuine" nonalignment, pragmatism and national interest prevail in the end. Should Gandhi emerge on top, Indian foreign policy probably will be less favorable to the US than would be the case under any of her rivals. Her policies would not differ substantially from those pursued during her previous tenure from 1966 to 1977. Gandhi considers the Western world, and especially the US, to be biased against India. She is quick to interpret as discriminatory US policies affecting South Asia, whether in the realm of aid, trade, arms sales, or nuclear matters. [REDACTED]

25X1

This reaction springs from India's colonial experience with the West and from Moscow's role as one of India's most reliable diplomatic friends and major source of sophisticated military equipment. The USSR took India's side in Indo-Pakistani disputes at the UN and responded favorably to some Indian aid and arms requests that had been rebuffed by the West. [REDACTED]

25X1

Nonetheless, India is apprehensive about Soviet intervention in Afghanistan. New Delhi sees excessive great-power influence in the area as increasing prospects

--continued

Top Secret

25X1

3 January 1980

Top Secret

25X1

for regional instability and conflict. India has expressed "deep concern" about the situation in Kabul but has coupled this with an expression of "grave concern" over possible new US arms deliveries to Pakistan. []

25X1

Gandhi would be as likely as other Indian leaders to keep India on a generally nonaligned course. Prior to her defeat in 1977, Gandhi tried to offset India's close ties with the USSR by improving relations with China and the US. []

25X1

Gandhi's return to power might result in such early foreign policy moves as:

- Diplomatic recognition of the pro-Soviet Heng Samrin regime in Kampuchea.
- Additional arms purchases from the USSR and Western Europe.
- A tougher line within the subcontinent where Gandhi asserts neighboring states are taking advantage of New Delhi's efforts to be accommodating.
- Less restraint in criticizing those US foreign policies that she considers objectionable. []

25X1

Gandhi's reaction to the US decision to terminate shipments of nuclear fuel for India's Tarapur reactor would provide early evidence of her attitude toward Washington. Gandhi tends to see the US nonproliferation drive as part of an effort by the superpowers to perpetuate the nuclear inferiority of the non-weapon states. She probably would be more inclined than most of her colleagues to allow the dispute over Tarapur to sour Indo-US relations generally. []

25X1

Gandhi seems particularly anxious to enhance India's international image. She says Indian prestige has diminished since she left office. Her influence might lead to a more visible but still moderate role in the

--continued

Top Secret

25X1

Top Secret

25X1

nonaligned movement and other international forums. She might also pursue India's proposal to expand Asian representation on the UN Security Council and ultimately secure a permanent seat for India. []

25X1

Gandhi is likely to continue India's support of Arab positions on Middle East issues. Many Indians are concerned, however, about the potential impact of Islamic fundamentalism among India's Muslim minority. Although Indian Muslims comprise only 12 percent of the population and have little influence in the government, any government in New Delhi will try to avoid antagonizing local Muslims or the Islamic nations that supply India with oil and employ thousands of Indians who send home some \$2 billion annually. Such considerations rule out any strong indictment of the Khomeini regime in Iran. []

25X1

Domestic Affairs

India now faces some of the most serious domestic challenges that have emerged since independence. The country, with 650 million people, is the second most populous nation in the world and is increasingly difficult to govern within the liberal democratic framework it adopted 33 years ago. Birth control is voluntary and population growth neutralizes gains in agricultural production. The long-quiescent rural masses are becoming more politicized, and violence between competing economic and social strata is on the increase. []

25X1

Traditional power and voting blocs are breaking up as special interest groups form and build new alliances. Moreover, the states are acquiring political and economic leverage over the federal government, thus weakening the power of New Delhi. Finally, nothing has emerged to replace the splintered Congress Party, which for three decades was India's only truly national political organization. The political arena is dominated by narrow-based, personality-oriented and highly opportunistic political groups. []

25X1

Gandhi says her first priority in office would be to restore law and order, though she offers no specific programs. Rising violence, particularly in the countryside,

--continued

Top Secret

3 January 1980

25X1

Top Secret

25X1

reflects the declining economic situation as well as growing assertiveness on the part of those suffering the most from deprivation. Gandhi has promised not to reimpose the harsh restrictions of emergency rule, but she clearly stands for stiff discipline and governmental authority to curb violence and dissent. []

25X1

Despite major economic problems, Gandhi would be unlikely to institute any radical departures in economic policy. India was hit by drought last summer after four years of good weather. Agricultural output next year probably will decline by 15 to 20 percent. Grain reserves are adequate to meet most demands but too little rain next summer could result in severe food shortages in 1981. []

25X1

Industrial production is in a slump resulting from electric power shortages, labor unrest, scarcities of steel and other manufacturing supplies, and transportation bottlenecks. Inflation averages 12 to 15 percent and is unlikely to improve soon. []

25X1

Political and economic concerns may preclude early consideration of the nuclear weapons issue by the new government. India probably will continue to keep the weapons option open, however, and to pursue nuclear research and programs aimed at self-reliance for reasons of national security and international prestige. []

25X1

Top Secret

25X1

3 January 1980

Top Secret

25X1

OVERNIGHT REPORTS

(The items in the Overnight Reports section have not been coordinated within the Intelligence Community. They are prepared overnight by the Office of Current Operations with analyst comment where possible from the production offices of NFAC.)

There is nothing of significance to report.

Top Secret

3 January 1980

25X1

Top Secret

25X1



Top Secret